

February 14, 2011

Mr. Michael Gifford
Brownfields & Early Action Section
U.S. EPA, Region 5
77 West Jackson Boulevard (SE-4J)
Chicago, Illinois 60604-3507

*Re: Jackson County Brownfield Redevelopment Authority — Cooperative Agreement
2B00E87601-1: Brownfield Eligibility Determination for Acme Building Site, 600-
626 N. Mechanic, Jackson, Michigan*

Dear Mr. Gifford:

On behalf of the Jackson County Brownfield Redevelopment Authority (BRA), Envirollogic Technologies, Inc. has prepared this eligibility determination. The following information is being provided to demonstrate that the above-referenced site is eligible to receive funding for environmental cleanup activities using the Jackson County BRA's Brownfields Revolving Loan Fund Grant (Cooperative Agreement 2B00E87601-1) for hazardous substances. This information was prepared at the request of Jackson County BRA by the approved consultant, Envirollogic Technologies, Inc.

History and Background of Site

The Acme Building site is one of the earlier manufacturing sites in the City of Jackson. First developed as early as 1886, the site has been occupied by various manufacturers. Products manufactured at the property have included farm implements, wagons, and later, heating and cooling equipment. Operations at the site ceased in the late 1980s and the buildings on site have been vacant since that time. Since its closure in the late 1980s, numerous studies, including Phase I and II Environmental Site Assessments, have been conducted on the property to determine its environmental condition.

The building was the original location selected for Jackson's Armory Arts Project. In 2002, a development agreement was signed between the Weatherwax Trust, the Weatherwax Foundation, and "the developers" consisting of the Enterprise Group of Jackson, Inc., Artspace Jackson, LLC, and Artspace Projects, LLC. The main point of the agreement was that the Enterprise Group and Artspace Jackson, LLC, would work together to develop the Acme property. The agreement further stated that if the property could not be developed along the lines that the Artspace Jackson, LLC wanted, then the Enterprise Group was required under the agreement to accept sole title to the property. Artspace Jackson, LLC became the title holder on December 27, 2002.

An environmental assessment was completed at that time specifically to support acquisition of the property by Artspace Jackson, LLC and development by the parties involved. The environmental assessment at the time included completion of an ASTM-

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compliant Phase I Environmental Site Assessment (December 27, 2002), and later a subsurface investigation (January 2003) and a Baseline Environmental Assessment (February 1, 2003).

In January 2005, additional environmental studies were completed (*Supplemental Subsurface Investigation Report*) to better understand the nature and extent of environmental contaminants at the property. The results of the environmental studies were unfavorable and lenders for the project declined financing, effectively terminating the project. At that time, in accordance with the 2002 agreement, The Enterprise Group created an LLC to accept and hold the title to the property on July 20, 2005. The original environmental assessments were updated in a new Baseline Environmental Assessment completed and disclosed to MDEQ at about that same time. The Enterprise Group continued to search for new uses of the property until early 2010, at which time they demolished the buildings. The Jackson County BRA supported demolition activities by using its U.S. EPA Brownfield Hazardous Substances Assessment Grant (Cooperative Agreement #BF-00E64701-0) to fund the development of a Cleanup Plan to preserve the concrete slab, which serves as an engineering control to reduce exposure to contamination on site. The only structures that remain are the concrete floors of the former buildings and subgrade appurtenances (utilities, utility tunnels).

Historical investigations of the facility have revealed that soil and groundwater contamination consisting of various compounds exist in various locations beneath the former buildings. Results of the investigations suggest that concentrations of contaminants in groundwater do not pose an immediate threat to public health within the current and future planned uses of the property. However, contaminant concentrations in soil, specifically, carbon tetrachloride, exceed the State of Michigan generic ambient air inhalation criteria (referred to as Volatile Soil Inhalation Criteria or VSIC).

Purpose of Cleanup

The potential future use of the property is a municipal parking lot. The parking lot would serve users of the immediately adjacent river walk along the Grand River and the Armory Arts center located immediately north of the site. The maximum concentrations of carbon tetrachloride in the subsurface soil exceed the generic criteria that the State of Michigan has deemed to be safe for human exposure. In other words, there could be enough carbon tetrachloride in the air above the contaminated soil at concentrations potentially unsafe for humans to inhale. The objective, therefore, is to insure that the air above the contaminated soil is safe to breathe.

Specific cleanup options and budgets are still being evaluated. We are requesting eligibility now to keep the project moving forward and to secure a portion of the necessary cleanup funds. Once we are ready to implement cleanup activities, we want to

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have all applicable resources at our disposal, which includes the U.S. EPA Brownfield Revolving Loan Fund Grant. Our preliminary work at this time includes securing approval from the MDNRE on cleanup options, securing additional data prior to cleanup implementation, and securing resources for the necessary cleanup.

Specific Site Eligibility Criteria:

a. Basic Site Information	The site meets the definition of a Brownfield.
• Name	Former Acme Building
• Address and Zip Code	600-626 N. Mechanic, Jackson, MI 49201
• Current Owner	Enterprise Group Property Development, LLC
b. Status and History of Site	
• Contaminated by hazardous substances or petroleum?	Hazardous Substances
• Operational history	Site has been a manufacturing site from at least 1886 until the 1980s. The property has been vacant since about 1992.
• Known environmental concerns	Carbon tetrachloride is present in soil and exceeds the State of Michigan generic ambient air inhalation criteria. VOCs have impacted soil and groundwater. Metals are in soil.
• How the site became contaminated and nature and extent of impact	Contaminants are the result of historic manufacturing activities on site. Some VOCs in groundwater may be emanating from undetermined offsite locations.
c. Site Ineligible for Funding	We affirm that the site is not listed or proposed for listing on the NPL, not subject to any orders or consent decrees under CERCLA, and is not subject to the jurisdiction, custody or control of the U.S. Government.
d. Sites requiring a Property Specific Determination	N/A - The Site is not subject to removal actions under CERCLA; is not subject to any orders or consent decrees under RCRA, FWPCA, TSCA or SDWA; is not subject to RCRA Corrective Action; is not a land disposal unit and is not subject to RCRA closure requirements; has not had a release of PCBs subject to TSCA remediation; and has not received monies from a LUST Trust Fund.

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Property Ownership Eligibility – Hazardous Substance Contaminated Sites

e. CERCLA § 107 Liability	
<ul style="list-style-type: none"> Affirmation 	<p>The applicant is not a liable party under CERCLA § 107.</p> <p>They <u>are</u> a current owner, but were not at the time hazardous substances were disposed on the property. The applicant did not arrange for the disposal of hazardous substances at the site, did not transport hazardous substances at the site, and did not cause/contribute to any releases of hazardous substances at the site</p>
<ul style="list-style-type: none"> Rationale 	<p>Prior to taking on a role as “owner”, All Appropriate Inquiry was performed in a manner consistent with the practices at the time.</p>
f. Enforcement Actions	<p>We are not aware of any ongoing or anticipated environmental enforcement actions.</p>
g. Liability and Defense where applicant does NOT own the Site	
<ul style="list-style-type: none"> Affirmation 	N/A
<ul style="list-style-type: none"> Relationship with owner and owner’s role in the work to be performed 	N/A
<ul style="list-style-type: none"> How will we gain access to site 	N/A
h. Information on Liability Defenses where applicant <u>owns</u> the site	
<ul style="list-style-type: none"> How property was acquired, date of acquisition, previous owner, and any familial, contractual, corporate or financial relationships or affiliations with prior owners or operators 	<p>The current owner (Enterprise Group) was a partner in a real estate transaction occurring on December 27, 2002 where Artspace Jackson LLC acquired the property. Subsequently, the development plan fell through and the Enterprise Group was required to accept sole title and did so by establishing an LLC and accepting title on July 20, 2005.</p>

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<ul style="list-style-type: none"> Timing Contribution of Hazardous Substances 	<p>All disposal of hazardous substances occurred prior to the applicant's ownership of the site. The applicant did not cause or contribute to a release on the site. The applicant affirms that they have not at any time arranged for disposal of hazardous substances at the site or transported hazardous substances to the site.</p>
<ul style="list-style-type: none"> Pre-Purchase Inquiry – describe types of assessments, dates and entity they were performed for; who performed the assessments and their qualifications to perform such work; and if more than 180 days old, affirm that you will update certain aspects to meet BFPP requirements 	<p>Pre-purchase inquiry was completed prior to the 2002 transaction as described above.</p>
<ul style="list-style-type: none"> Post-Acquisition Uses – describe all uses of property since acquisition including names of current and prior users during your ownership, dates and details of uses, the rights of such users (lease, license, trespass) and your relationship with users. 	<p>The property has been vacant and unused during the time it has been owned by the Enterprise Group's LLC.</p>
<ul style="list-style-type: none"> Continuing Obligations – describe how you have or will stop continuing releases, prevent any threatened future release, prevent or limit exposure to any previous release. 	<p>There is no known continuing release. Exposures have been prevented through fencing, impervious surface, and general security measures.</p>
<ul style="list-style-type: none"> Continuing Obligations – affirm commitment 	<p>The applicant affirms their commitment to meet continuing obligations including compliance with land use restrictions and institutional controls, assistance and cooperation with future assessment including providing access to the site, compliance with information requests and administrative subpoenas, and providing legally required notices.</p>

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If you have any questions or require additional information, please do not hesitate to contact Ms. Amy Torres at (517)788-4455 or Envirollogic Technologies, Inc. at (269) 342-1100. As always, we appreciate your time and consideration regarding this matter.

Sincerely,

ENVIROLOGIC TECHNOLOGIES, INC.



David A. Stegink
Associate Vice President



David B. Warwick
Vice President - Hydrogeologist

DAS/rel

cc: Amy Torres